

May 12, 2010

**CARE REVISES THE RATINGS OF THE BANK FACILITIES OF
TEHRI PULP AND PAPER LTD.**

Rating

Facilities	Amount (Rs. cr)	Ratings ¹	Remarks
Long-term Loans from Banks	57.00	CARE D (Single D)	Revised from CARE BB (Double B)
Fund-based Working Capital Limits	15.00	CARE D (Single D)	Revised from CARE BB (Double B)
Non-fund Based Limits	5.00	PR5 (PR Five)	Revised from PR4 (PR Four)
Total	77.00		

Rating Rationale

The rating revision is on account of the ongoing delay in servicing of term loan installments and interest payments (on facilities rated by CARE), due to the tight liquidity position of the company. Tight liquidity position is evidenced by the consistently high level of utilization of working capital limits which has also resulted in higher than anticipated gearing levels.

Company Profile

Tehri Pulp & Paper Limited (TPPL) is engaged in manufacturing of Kraft Paper & Kraft Liner in Muzaffarnagar, Uttar Pradesh. The company was incorporated in 1993 and later in 1998 the management of the company was taken over by Sh. Rakesh Kumar and Sh. Neeraj Goel.

TPPL has waste paper and agro based kraft paper manufacturing facility located at Muzaffarnagar, Uttar Pradesh with total installed capacity of 78,000 metric tonne per annum (mtpa) as on March 31, 2009.

TPPL has achieved PBILDT of Rs 17.9 cr and PAT of Rs. 3.3 cr on net sales of Rs 89 cr in FY09. During 9MFY10 (provisional), the company posted net sales of Rs 90.16 cr and PAT of Rs 2.60 cr.

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CARE classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

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¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

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